

FY 2004 Proposed Operating Budget Summary

- To provide a dedicated revenue source for the repair, replacement and construction of storm water facilities to meet the goals of the Clean Water Act as well as citizen concern for the quality of our streams and the Chesapeake Bay, A Clean Waters Fund - A nickel a day for the Bay - is created.
- Anne Arundel County will build a new fire station in the future to serve the Annapolis Neck. Until that time, the City of Annapolis will increase emergency service with an additional paramedic unit.
- A new agreement with the NAAA on parking at the stadium will provide the City with \$1 from every car during the week and the full net fare on weekends and is expected to generate \$100,000 in additional revenue annually.
- To improve our ability to keep Annapolis clean. The City will contract for the collection of commercial refuse downtown. This should bring uniformity and oversight to the service as well as provide funding for the necessary clean up service currently being provided. No new revenue or expense is anticipated.
- The City will continue its community outreach by enhancing the Department of Economic Development and Community Services. Special emphasis is placed on small businesses, minority businesses, cultural and heritage programs, youth programs, and community and social programs. Customer relations software is being utilized for tracking constituent complaints, concerns, and suggestions. The City's website, www.annapolis.gov, will be upgraded and enhanced with additional information for citizens and businesses who wish to utilize City services via the web or to register for email updates on various City news and events.
- The City will partner with Anne Arundel County on the Bridges' Learning Discovery and Learning Development Programs. The Learning Discovery Program will target 120 pre-kindergarten learners, while the Learning Development Program will target 100 kindergarten through adult learners.
- Faced with another 17-19% increase in health insurance costs, the City will pursue self insurance in this area as it has already done with automobile, liability, and workers' compensation. In FY04 the City will save approximately \$250,000 in administrative fees with continuing coverage under Carefirst Blue Cross and Blue Shield.
- The tax rate has been reduced from 62.4 cents to 60 cents per \$100 of assessed value. The constant yield rate for FY04 is 57.1 cents per \$100 of assessed value. The proposed tax rate considers the impact of a cost of living increase of approximately 3% for the Annapolis area, the continued slump in investment earnings, and the significant cut in State Shared Highway User revenue, and other State revenue cuts. Additionally, increases of approximately \$100,000,000 in assessed value are under appeal. Successful appeals unknown at this time would reduce our assessable base and increase the constant yield rate.

Budget Overview

- continued -

- Grant funding will continue to be an area of concentration for all City departments. The City is utilizing an on-line grant locator service to research areas of interest and quickly get specific grant information. A critical area of concern is emergency preparedness. The City hopes to continue receiving a portion of the Federal aid being offered. Many initiatives and projects are taking place that won't show in this budget. An example is the gateway enhancement project being managed and funded by the State Highway Administration in coordination with City staff. The enhanced areas will include Aris T Allen Boulevard, West Street, and Rowe Boulevard.
- A new Department of Neighborhood and Environmental Programs will be created utilizing current staffing in the departments of Public Works and Planning and Zoning. Current services provided by the inspections and permits section and zoning enforcement will be under one Code Enforcement section. In addition, a new Environmental Programs section will be created by consolidating current staff of the environmentalist, pretreatment inspector, storm water management engineer, and the contractual ombudsman position. A new Clean Air Program will be a part of this department.
- The Budget provides for citizens 65 years and older to defer any increase in their city taxes. This program as well as the City's participation in the Homeowners' Tax Credit Program and Renters' Tax Credit Program should provide some relief for those taxpayers most in need. Funding has been provided to develop and distribute a brochure outlining the various programs available to taxpayers for tax relief.
- Recommendations of bonding agencies have been met to preserve our AA+ rating. Measures have been taken to reduce costs, while maintaining high levels of service. Fund balances are adequate to safeguard against continued economic downward trends and further cutbacks from other agencies. Capital projects have been re-assessed and priorities changed with a public safety emphasis and a realistic view of future State funding levels.

The Budget Process Schedule

September

- Budget Summit with Mayor and City Council

November

- Finance prepares Preliminary Revenue Estimates
- Finance prepares Operating and Capital Budget Instructions

December

- Departments submit Enhancement Requests
- Citizen Budget Workshops held

January

- Departments submit Operating and Capital Budget Requests
- Departments' Operating Budget and Enhancement Requests reviewed with Mayor

February/March

- Finance prepares Operating and Capital Budgets with Mayor

April

- Mayor's Proposed Operating Budget submitted to Council and Finance Committee by second Monday
- Budget Legislation to Council for First Reader
- Finance Committee holds Public Hearings on the Mayor's Proposed Operating and Capital Budgets with Department Directors
- Council Public Hearing held on Proposed Operating Budget and Constant Yield Tax Rate

May

- Finance Committee recommendations on the Mayor's Proposed Operating Budget to the Council by second Monday
- Council adopts the FY 2004 Operating Budget
- City Council adopts the FY 2004 - 2009 Capital Improvements Program

July

- Fiscal Year 2004 begins on July 1, 2003